

### APPENDIX 3

#### SUMMARY OF THE MAIN ISSUES INCLUDED ON THE CONSULTATION RESPONSES SEPTEMBER 2015 RELATING TO STABILITY FOR THE LOCAL SCHOOLS FUNDING FORMULA FOR 2016-17 OCTOBER 2015

All the WSF representatives who represent the school phases voted for stability in the local schools formula for 2016-17, hence the steer for the consultation was stability.

The consultation paper reflected this position but schools were given the opportunity to comment. This appendix summaries the key issues on the responses made by the **16** primary schools, **6** middle schools and **15** secondary schools together with the **1** other response.

Not surprisingly given the current funding position this resulted in a range of comments. A summary of the main issues per phase is detailed below with WCC comments given in italic square brackets where necessary.

##### Primary Schools Sector

Out of 176 primaries, only **16** schools responded, with **13** supporting stability and **3** making no comment.

So, overall for those that responded the sector **supported the policy of stability** and the no change option for 2016/17.

In their support of this the main issues: -

- Makes the budget process easier and aid planning.
- Really helpful to have a projected budget allocation for next year, based on the proposed formula to allow for forward planning.
- Facilitates a return to the 3 year budgets required by the Finance Policy.
- Although there are winners and losers with this formula, as with all revisions, this formula offers the best and fairest distribution for the most number of pupils across the County.
- Offers the best chance of a smooth transition to a potential NFFF.
- The most significant issue in education funding is the disparity of funding of similar schools in different areas of the country.
- The National Fair Funding Formula (NFFF) is required as soon as possible.
- Many small schools had been adversely and unfairly affected by the flaws of the local schools funding formula. However, the current formula is fairer and serves schools well.
- All schools face real cuts of up to 12% through inflationary increases in costs while only receiving flat funding per pupil.
- National funding deficiencies for all age groups cannot be reconciled by tweaking the existing local schools formula factors.

##### Middle Schools Sector

Out of 20 middle schools, **6** schools responded with **4** supporting stability and **2** making no comment.

So, overall for those that responded, the sector **supported the policy of stability** and the no change option for 2016/17.

### Secondary Sector

Out of 29 secondary schools, **15** schools responded with **8** supporting stability, **4** supporting a change and **3** making no comment.

The 4 schools that supported a change are all in the academy sector with post 16 provision.

So, overall for those that responded the sector **supported the policy of stability** and the no change option for 2016/17.

For those **8** schools favouring **stability** the main issues were

- Allows schools to have some kind of consistency of funding to assist their financial planning.
- Current formula gives a reasonable balance between supporting the needs of students, particularly the least able, and allocating resources fairly between schools.
- Prevents any further funding losses so more welcome than a formula of further cuts.
- Evidence suggests the formula is working in line with expected norms and stability after several years of unpredictability would be welcome.
- Supported but there are continuing issues on split site funding.
- Stability is not a virtue if it locks in inequality however the stability option will allow schools to have consistency of funding to assist financial planning. .

For those **4** schools favouring **change** the main issues were

- Concern the current model that does not provide with enough basic funding.
- The impact over the last 3 years shows this is not a fair or ideal solution.
- The imbalance of distribution will be compounded further and this will plunge a significant proportion of schools into extreme financial difficulties.
- The change in 2015/16 in the LPA rate caused major fluctuations and swings in funding for individual schools. They could not gain enough on the AWPU and other factors to cover the change.
- Schools have no way of influencing the LPA number. This change should have been staggered over a longer period.
- Recognise that formula change will create a different set of losers and gainers but need to find a change in formula to reduce the variances.
- Schools need to receive a fair and equitable share of funds.
- A review is required to look at deprivation funding.
- Not right that some schools gained significantly whereas others – even with no changes in student numbers – lost out by a significant amount.
- A significant proportion of schools did not benefit at all from the additional £6.2m of funding.

Other general comments made by the secondary sector mainly from the schools favouring change were

- Disappointed that schools cannot agree on a funding model that supports the most needy.
- In some schools opinion the DfE statutory MFG/Capping is flawed.  
*[Note – the MFG is a statutory calculation required by the DfE and the cap can only be set at a maximum to fund the cash requirement of the MFG].*
- The impact of the additional £6.2 million is gaining schools will gain further and those schools who receive a high proportion of MFG have will not have seen any benefit.
- The current local formula [2015/16] produced large variances between gainers and losers with some schools not gaining any additional funds allocated through the DSG.
- Concerns on the basis of the modelling figures including gainers and losers used by the LA in last year's consultation. Final allocations being different despite pupil and other data stability – concern this could be the same for 2016-17.  
*[Note this is likely to be the same for 2016-17 as the amount allocated to each school will be affected by all school data changes not just data changes in individual schools as it is a fixed amount funding which is allocated based on the October 2015 school census]*
- Individual school discussions with the LA have been very helpful and generated some positive discussions. However, disappointing that no changes such as looking at a separate formula for primary/secondary, limiting variations, or a review of deprivation funding have been included in the consultation.
- EFA confirmed the additional DSG did not have to be through the local schools funding formula.  
*[Note – the DfE expected LAs to pass on the additional DSG to schools but LAs still have the flexibility to move funding between the 3 DSG Blocks. As such this funding could have been allocated to High Needs or Early Years. As WCC allocated it to the schools block and this additional funding did **NOT** constitute new delegation, the DfE policy was that it was included in the funding formula and it was **NOT** to be excluded from the MFG calculation].*
- Accept that post 16 funding is outside of the control of the LA, but need to consider the total school budget in considering the variances. Increase in external costs outside of the school's control (staffing costs – namely pension and NI increases) and other funding decreases means that schools will be pushed into financial difficulties in the very near future.
- The formula impact including lower split site funding as well as pupil number reductions has restricted school development and required restructures.
- Additional funds need to be found to mitigate the devastating impact of this current formula.
- All schools, and in particular all secondary schools, face acute financial pressures caused by a reduction in the Education Services Grant (ESG), increased employment costs and the continuing low level of funding for Worcestershire.
- A formula which moves funding intended for all 11-16 students to subsidise schools with sixth forms, PFI liabilities or to support unnecessary Free Schools is not acceptable.

## Other

The 1 respondent **supported the policy of stability** and the no change option for 2016/17.

In support of this the main issues were: -

- For many small schools the current formula is appropriate.
- The addition of the £6.2m top-up funding was a significant boost too and it is reassuring to see its permanent inclusion from 2016-17.
- There is still some work to be done on the local funding formula e.g. LPA, sparsity, EAL, rates and PFI.
- Changing the existing local factors will just create different winners and losers.
- The current local formula may not be perfect but it is certainly the best option at this stage.
- Stability of 'no change' will allow focus on the weightier and more pressing issues and allow our schools to pull together in the fight for a NFFF, which has to encompass both EY and Post 16 too.
- By far the most significant issue in education funding is the disparity of funding of similar schools in different areas of the country.
- Education funding needs to be in one place, nationally consistent, locally commissioned with local oversight.